

117TH CONGRESS
2D SESSION

H. R. 7587

To strengthen the partnership between the nonprofit organizations and the Federal Government, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 26, 2022

Ms. MCCOLLUM (for herself and Mr. UPTON) introduced the following bill; which was referred to the Committee on Oversight and Reform, and in addition to the Committees on Education and Labor, and Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To strengthen the partnership between the nonprofit organizations and the Federal Government, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-
2 tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Nonprofit Sector
5 Strength and Partnership Act of 2022”.

6 **SEC. 2. FINDINGS.**

7 The Congress finds that:

1 (1) The nonprofit sector is a trusted partner in
2 working with American communities, strengthening
3 civil society, and ensuring that all people living in
4 the United States have the opportunity to thrive.

5 (2) The Nation relies on the nonprofit sector on
6 its ability to harness and direct the generosity, serv-
7 ice, and volunteerism of the American people.

8 (3) Nonprofit organizations are a significant
9 and highly diverse sector of the United States econ-
10 omy that includes 1,800,000 organizations as of
11 2020, according to the Internal Revenue Service.
12 United States nonprofit organizations contributed
13 \$1.2 trillion to the economy in 2020 and accounted
14 for 5.9 percent of the Gross Domestic Product of the
15 United States, according to Bureau of Economic
16 Analysis data interpreted by Independent Sector.

17 (4) Collectively, the nonprofit sector engages
18 through and is supported by more than 12 million
19 workers, 20 million board members, 63 million vol-
20 unteers, and 170 million donors. In 2017, United
21 States nonprofits employed 12.5 million paid work-
22 ers and paid over \$670 billion in wages.

23 (5) 92 percent of the 501(c)(3) public charities
24 in the United States have an annual budget of less

1 than \$1,000,000 according to data provided by the
2 Internal Revenue Service.

3 (6) While no Federal agency regularly collects
4 systematic employment data on the nonprofit sector,
5 at the local level, nonprofits are a time-tested mech-
6 anism for delivering critical community services.

7 (7) In order to maximize the nonprofit sector's
8 ability to utilize Federal investments to respond to
9 community need, the Federal Government should
10 take steps to encourage, support, and promote vol-
11 unteerism and charitable giving.

12 (8) National service programs provide an essen-
13 tial vehicle for Americans of all ages anxious to
14 serve their communities and transform their own
15 lives in the process. Service programs also provide a
16 critical pipeline of emerging leaders into the work-
17 force, including the nonprofit workforce.

18 (9) Like for-profit entities, the nonprofit sector
19 is challenged during times of economic downturns.
20 As employers and providers of services to countless
21 Americans, the sustainability of this sector is of
22 great national importance, yet the Federal Govern-
23 ment provides significant support to for-profit busi-
24 nesses through the Small Business Administration

1 and other agencies and programs that are not accessible
2 to nonprofit organizations.

3 (10) Despite the importance of the nonprofit
4 sector to the United States economy and to the success
5 of many Federal, State, and local policy initiatives,
6 no Federal agency or office has responsibility
7 for evaluating, building, or maintaining the capacity
8 of the nonprofit sector.

9 **SEC. 3. PURPOSES.**

10 The purposes of this Act are the following:

11 (1) To enhance the ability of the nonprofit sector
12 to address public challenges and maximize opportunities
13 to improve quality of life in the communities
14 where nonprofit organizations work.

15 (2) To strengthen communities across the
16 United States by making the Federal Government a
17 more productive partner with nonprofit organizations
18 through the establishment of better Federal coordination
19 with respect to, enhanced transparency
20 with respect to, and greater support for the work of
21 nonprofit organizations.

22 (3) Collect, assemble, and make available Federal
23 data and research on the nonprofit sector and
24 to generate new data and research where necessary

1 to support the development of effective Federal pol-
2 icy.

3 (4) Raise awareness of the nonprofit sector and
4 the vital civic, social, and economic contributions
5 nonprofit organizations make to the United States.

6 **SEC. 4. WHITE HOUSE OFFICE ON NONPROFIT SECTOR**

7 **PARTNERSHIP.**

8 (a) ESTABLISHMENT.—There is established in the
9 Executive Office of the President an Office on Nonprofit
10 Sector Partnership (in this section referred to as the “Of-
11 fice”). The Office will be led by a Nonprofit Advisor.

12 (b) FUNCTIONS.—The Office shall—

13 (1) strengthen and develop policies and actions
14 which enhance the sector’s ability to address na-
15 tional and community priorities;

16 (2) identify and promote policies that increase
17 and sustain charitable giving, volunteerism, and na-
18 tional service to support the capacity of the non-
19 profit sector;

20 (3) publish, based upon regular consultation
21 with the nonprofit sector, policy options and rec-
22 ommendations for leveraging the unique partnership
23 between the Federal Government and the nonprofit
24 sector to accelerate repair and rebuilding across

1 America, particularly with respect to underserved
2 and marginalized communities;

3 (4) identify barriers and policies that hinder,
4 increase, or sustain opportunities for nonprofits to
5 operate internationally both on their own or in part-
6 nership with the Federal Government;

7 (5) coordinate, across relevant Federal agen-
8 cies, the task of compiling, producing and making
9 publicly available key existing Federal data sources
10 of relevance to the nonprofit sector. This will include
11 data on the economic health and impact of the non-
12 profit sector (including employment and wage data),
13 data on Federal funding of the nonprofit sector (in-
14 cluding grants and contracts), Census data, and
15 data on aggregated types of revenue, volunteering
16 and civic engagement and be published publicly an-
17 nually;

18 (6) direct a Federal agency, to be determined
19 by the Nonprofit Advisor within 180 days, to ini-
20 tiate, in consultation with States, a competitive
21 grant process to build a single online portal, such
22 that charities can fulfill State registration and re-
23 porting requirements for States that choose to par-
24 ticipate through a single filing. An eligible grant re-
25 cipient must be a nonprofit organization with gov-

1 erning board members possessing experience working
2 to align charitable registration requirements across
3 States. In evaluating applications for this portal, the
4 Federal agency shall consider whether the applica-
5 tion will—

6 (A) enable smaller charities to respond to
7 disasters in their communities by raising funds
8 from multiple States;

9 (B) empower the public to make respon-
10 sible donations, especially to help those in need
11 during natural disasters or other crises of na-
12 tional significance;

13 (C) eliminate costly inefficiencies for char-
14 ities operating or fundraising in multiple
15 States;

16 (D) help nonprofits meet existing regis-
17 tration and filing requirements;

18 (E) ensure appropriate cybersecurity
19 standards are being met or exceeded;

20 (F) preserve the public's trust in non-
21 profits; and

22 (G) establish a sustainable funding mecha-
23 nism that is not reliant on Federal funding for
24 ongoing costs; and

1 Federal Awards (OMB Uniform Guidance), (2 C.F.R. 200), related to racial,
2 gender, ethnic inclusion in grantmaking
3 processes, and to negotiation of indirect
4 costs, including a de minimis indirect cost
5 rate;

6 (ii) promoting Federal agency compliance
7 with the OMB Uniform Guidance to
8 preserve the integrity of Federal programs
9 while allowing nonprofit organizations
10 streamlined access to Federal funding opportunities, expressly in the areas of payment
11 by pass-through entities and others
12 of indirect cost rates and establishment of
13 a clearinghouse of agency decisions or
14 other means for maintaining consistent interpretation of the OMB Uniform Guidance;
15

16 (iii) reviewing Federal statutes and
17 regulations to identify inconsistent requirements and restrictions on payment of “administrative costs” and other terms and definitions, and consider the impact of inconsistent or conflicting rules on organizations seeking Federal and State pass-

1 through grants on their operations and
2 sustainability;

3 (iv) assessing how grant agreements
4 and reimbursements can be modified to en-
5 able and incentivize nonprofits to utilize
6 government grant funds to provide relevant
7 professional development to employees
8 working on those grants, and to ensure
9 that interns and those in apprenticeships
10 working on government grants or contracts
11 are paid rather than unpaid; and

12 (v) reporting its recommendations on
13 the foregoing to the President and Con-
14 gress, no later than 18 months after enact-
15 ment, and addressing how grant and con-
16 tract agreements and reimbursements
17 should be modified to enable nonprofit
18 grant recipients to respond to issues of na-
19 tional significance; and

20 (C) at the direction of the President, but
21 no later than 5 years after the release of the re-
22 port described in subparagraph (B) of this
23 paragraph, the commission shall reconvene to
24 further review the operational relationship be-

1 tween all levels of government and the nonprofit
2 sector and evaluate it for improvement.

3 (c) ADMINISTRATION.—The President shall appoint
4 a Nonprofit Advisor within 90 days of enactment of this
5 legislation. The Nonprofit Advisor shall, in addition to
6 being Director of the Office, serve as the head of the Inter-
7 agency Council, co-chair of the Advisory Council, and re-
8 sponsible to carry out the provisions of this section and
9 coordinate with executive departments as appropriate with
10 respect to the mission of the Office and related govern-
11 mental entities.

12 **SEC. 5. INTERAGENCY COUNCIL ON NONPROFIT SECTOR**

13 **PARTNERSHIP.**

14 (a) ESTABLISHMENT.—There is established in the ex-
15 ecutive branch an independent entity to be known as the
16 Interagency Council on Nonprofit Sector Partnership.

17 (b) MEMBERSHIP.—The Council shall be composed of
18 the head of each cabinet agency, or their designee in addi-
19 tion to the—

20 (1) Corporation for National and Community
21 Service;

22 (2) National Endowment for the Humanities;

23 (3) National Endowment for the Arts;

24 (4) National Science Foundation;

1 (5) Institute of Museum and Library Services;

2 and

3 (6) other agencies as determined by the Presi-

4 dent.

5 (c) RESPONSIBILITIES.—The Interagency Council,

6 shall issue biennial reports providing specific recommenda-

7 tions on how the nonprofit sector can best leverage and

8 accelerate Federal investments to rebuild American com-

9 munities and to offer specific recommendations for

10 strengthening, promoting, and improving the overall abil-

11 ity of the nonprofit sector to address issues of national

12 significance. These recommendations shall include consid-

13 eration of—

14 (1) improving Federal research and data access

15 and transparency, including by collecting and dis-

16 seminating disaggregated data and research relevant

17 to the ability of the nonprofit sector to respond to

18 societal need;

19 (2) consulting and partnering with nonprofits

20 as an engine of employment, preparing Americans

21 for their first jobs or new jobs, deploying national

22 service members to rebuild communities while ac-

23 quiring valuable professional and civic skills and ca-

24 reer guidance;

(3) legislation, regulation, and other action toward these goals, including changes to the structure of the Interagency Council;

(4) Federal efforts that could have an impact
on charitable giving, volunteerism, and national serv-
ice;

7 (5) Federal investments that could bolster the
8 civic infrastructure of the United States, which in
9 includes its workforce, volunteer force, capacity of
10 nonprofit institutions, and the norms and practices
11 that help communities solve problems; and

15 (d) ADMINISTRATION.—The Interagency Council
16 shall be chaired by the Nonprofit Advisor and may accept
17 staff detailed from Federal agencies to support coordina-
18 tion and implementation efforts. The Interagency Council
19 shall meet no fewer than four times per year.

20 SEC. 6. ADVISORY BOARD ON THE NONPROFIT SECTOR.

21 (a) ESTABLISHMENT.—There is hereby established
22 under the Federal Advisory Committee Act, (Public Law
23 92–463), an Advisory Board on the Nonprofit Sector, co-
24 chaired by the Nonprofit Advisor and a designee from the
25 nonprofit sector, as appointed by the President and Con-

1 gress as described below, except for subsection (b)(2)(B)
2 of this section.

3 (b) MEMBERSHIP.—

4 (1) NUMBER AND APPOINTMENT.—The Advi-
5 sory Board shall be composed of 16 members as fol-
6 lows:

7 (A) The Nonprofit Advisor and seven addi-
8 tional members shall be appointed by the Presi-
9 dent.

10 (B) Two members shall be appointed by
11 the Speaker of the House of Representatives.

12 (C) Two members shall be appointed by
13 the minority leader of the House of Representa-
14 tives.

15 (D) Two members shall be appointed by
16 the majority leader of the Senate.

17 (E) Two members shall be appointed by
18 the minority leader of the Senate.

19 (2) With the exception of the Nonprofit Advi-
20 sor, membership of the Advisory Board shall be
21 drawn from the nonprofit sector to include designees
22 with substantial and diverse experience and points of
23 view in the issues facing the nonprofit sector. This
24 shall include leading national organizations that rep-
25 resent the interests of the broad sector, as well as

1 proportional representation to the extent possible
2 from representatives of large, medium and small
3 nonprofit and philanthropic organizations as deter-
4 mined by annual expenses and include meaningful
5 racial, gender, ethnic and geographic diversity. The
6 terms of members to the Advisory Board shall be
7 staggered between three and four years and renew-
8 able for one term.

9 (A) VACANCIES.—A vacancy on the Board
10 shall be filled in the manner in which the origi-
11 nal appointment was made.

12 (B) BASIC PAY AND TRAVEL EXPENSES.—
13 With the exception of the Nonprofit Advisor, all
14 Voting Board members shall, and nonvoting
15 members may, be appointed as special Govern-
16 ment employees and receive a consultant fee
17 and be reimbursed for travel expenses, includ-
18 ing per diem in lieu of subsistence, in the same
19 manner as provided under the Federal Advisory
20 Committee Act, unless such compensation and
21 reimbursement are waived.

22 (C) CO-CHAIRS.—The President shall des-
23 ignate the Nonprofit Advisor as a co-chair of
24 the Advisory Board and select an additional
25 Co-chair from among the members of the

1 Board, who may not be members of the same
2 political party.

3 (c) FUNCTIONS.—The Advisory Board shall issue bi-
4 ennial reports to Congress, as well as advise the President
5 and the Interagency Council on matters involving policy
6 affecting nonprofit sector, volunteerism, service, and other
7 related topics. The Advisory Board shall meet regularly,
8 upon the call of the co-chairs, and shall—

9 (1) respond to requests from the President or
10 the President's designee for information, analysis,
11 evaluation, or advice;

12 (2) solicit information and ideas from a broad
13 range of stakeholders;

14 (3) in its biennial report, provide information
15 on the state of the nonprofit sector, volunteerism,
16 charitable giving and national service, as well as
17 feedback on the effect of Federal policies on each;

18 (4) in its biennial report, provide recommenda-
19 tions on legislative, regulatory, and executive actions
20 to improve and support the nonprofit sector and its
21 partnerships with the Federal Government;

22 (5) in its biennial report, provide recommenda-
23 tions on long-term opportunities to strengthen the
24 nonprofit sector, volunteerism, and national service
25 through Federal actions and policy; and

1 (6) in its biennial report, include a statement
2 analyzing how any recommendations would impact
3 the disparities between members of different racial
4 and ethnic groups.

5 (d) ADMINISTRATION.—The heads of executive de-
6 partments and agencies shall provide the Advisory Board
7 with information concerning appropriate matters when re-
8 quested by the Advisory Board Co-Chairs and as required
9 for the purpose of carrying out the Advisory Board's func-
10 tions, unless otherwise prohibited by law.

11 **SEC. 7. VOLUNTEERISM AND CHARITABLE GIVING.**

12 (a) TREASURY DEPARTMENT.—The Secretary of the
13 Department of the Treasury shall—

14 (1) analyze and publicly release the impact of
15 relevant statutes, regulations, and other actions on
16 charitable giving specifically and the nonprofit sector
17 generally, including analysis disaggregated by demo-
18 graphic factors whenever possible; and

19 (2) examine the reconstitution of the Advisory
20 Committee on Tax Exempt and Government Enti-
21 ties.

22 (b) DEPARTMENT OF LABOR, BUREAU OF LABOR
23 STATISTICS.—The Bureau of Labor Statistics shall within
24 two years of enactment, issue a biennial report on trends
25 in the non-stipended volunteer force.

1 (c) CORPORATION FOR NATIONAL AND COMMUNITY
2 SERVICE.—The Corporation for National and Community
3 Service shall—

4 (1) issue a comprehensive report assessing how
5 CNCS can best be structured and resourced to sup-
6 port the unique needs and potential of both the non-
7 stipended volunteer force and the national service
8 community. This assessment shall also consider how
9 underserved and marginalized communities can ac-
10 cess service programs. CNCS shall share that report
11 with Congress within six months of enactment and
12 issue updates every two years, thereafter;

13 (2) review existing programs such as the Volun-
14 teer Generation Fund and the Nonprofit Capacity
15 Building Program to determine how these programs
16 might be strengthened and/or expanded to ensure,
17 among other critical functions, they will support a
18 wide diversity of nonprofits to build capacity to en-
19 gage, sustain, and support the volunteer force, and
20 to share such recommendations with Congress within
21 six months of enactment;

22 (3) within 90 days of enactment, solicit input
23 from the nonprofit sector and the public about en-
24 hancing and revising the Current Population Survey
25 with supplements on—

7 SEC. 8. NATIONAL SERVICE.

8 The Corporation for National and Community Serv-
9 ice shall—

17 (2) by no later than two years from the date of
18 enactment, redesign and relaunch the eGrants sys-
19 tem, including user testing that engages organiza-
20 tions who are not current grantees and that rep-
21 resent or reach underserved and marginalized com-
22 munities to test barriers to submitting for a grant.

23 SEC. 9. GOVERNMENT RESEARCH AND DATA.

24 (a) TREASURY DEPARTMENT.—The Secretary of the
25 Department of the Treasury shall—

23 (b) DEPARTMENT OF LABOR, BUREAU OF LABOR
24 STATISTICS.—The Bureau of Labor Statistics shall in-
25 clude nonprofit organizations as a distinct category of em-

1 ployer in quarterly reports from its Quarterly Census of
2 Employment and Wages. Within 90 days of enactment,
3 the Bureau of Labor Statistics shall transmit a plan to
4 Congress that will accomplish this goal.

5 (c) DEPARTMENT OF COMMERCE, BUREAU OF ECO-
6 NOMIC ANALYSIS.—The Bureau of Economic Analysis
7 shall in consultation with the Advisory Committee, create
8 a Satellite Account on Nonprofit and Related Institutions
9 and Volunteer Work within its national accounts program.
10 This account shall be published no less frequently than
11 on a biennial basis.

12 (d) WHITE HOUSE, OFFICE OF MANAGEMENT AND
13 BUDGET.—The Office of Management and Budget shall—
14 (1) solicit information from all relevant Federal
15 agencies that collect existing data on the nonprofit
16 sector in all published reports and publicly available
17 tables and datasets and direct these agencies to in-
18 clude existing data disaggregated by the following
19 factors—

20 (A) the number of clients served by non-
21 profit organizations, including existing data on
22 the race, gender, age, income level, languages
23 spoken and geographic location of such clients;

(B) existing data on types of revenues, expenses, and operating reserves by nonprofit organizations of various sizes and missions;

15 SEC. 10. NONPARTISAN CIVIC ENGAGEMENT AND ADVO-
16 CACY.

17 The Government Accountability Office shall, within
18 1 year of enactment and after gathering input from the
19 Advisory Board and the broader nonprofit sector, issue a
20 report to Congress on—

6 SEC. 11. DEFINITIONS.

7 In this Act:

8 (1) NONPROFIT.—The term “nonprofit” or
9 “nonprofit organization” shall include the definition
10 included in section 501(c)(3) of title 26, United
11 States Code, and in addition shall mean a group or-
12 ganized for purposes other than generating profit
13 and in which no part of the organization’s income is
14 distributed to its members, directors, or officers.

(3) NONPROFIT ADVISOR.—The term “Nonprofit Advisor” means an individual who is—

(B) has experience working in the non-profit sector and government; and

(C) has demonstrated a commitment to strengthening the partnership between the Federal Government and the nonprofit sector.

6 (4) CURRENT POPULATION SURVEY.—The term
7 “Current Population Survey” means the jointly
8 sponsored survey administered by the Census Bu-
9 reau and the Bureau of Labor Statistics and ap-
10 proved by the Office of Management and Budget
11 (OMB Number 0607–0049).

23 (B) rural populations;

24 (C) individuals with disabilities;

(D) low-income or homeless individuals;

- 1 (E) individuals with mental health or sub-
2 stance related disorders;
3 (F) victims of abuse or trauma;
4 (G) lesbian, gay, bisexual, and transgender
5 individuals; or
6 (H) refugees or migrants.

7 **SEC. 12. AUTHORIZATION OF APPROPRIATIONS.**

8 There is authorized to be appropriated to carry out
9 the provisions of this Act \$50,000,000 for fiscal year 2023
10 and such sums as necessary for each of fiscal years 2024
11 through 2027.

